

2006

California S Corporation Franchise or Income Tax Return

100S

For calendar year 2006 or fiscal year beginning month _____ day _____ year _____, and ending month _____ day _____ year _____.		
California corporation number	Federal employer identification number (FEIN)	Check if corporation has: Refund on line 40 <input type="checkbox"/> or Amount due on line 42 <input type="checkbox"/>

Corporation name

Address including Suite, Room, or PMB no.

City	State	ZIP Code
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Schedule Q Questions:

A FINAL RETURN? ☐ Dissolved ☐ Surrendered (withdrawn) ☐ Merged/Reorganized
☐ IRC Section 338 sale ☐ QSub election enter date ● _____

(continued on Side 2)

State Adjustments	1 Ordinary income (loss) from trade or business activities from Schedule F (Form 100S, Side 3), line 22 or federal Form 1120S, line 21. If Schedule F (Form 100S, Side 3) was not completed, attach federal Form 1120S, page 1, and supporting schedules	● 1		
	2 Foreign or domestic tax based on income or profits and California franchise or income tax deducted	● 2		
	3 Interest on government obligations	● 3		
	4 Net capital gain from Schedule D (100S), Section A & Section B. Attach Schedule D (100S). See instructions	● 4		
	5 Depreciation and amortization adjustments. Attach Schedule B (100S)	● 5		
	6 Portfolio income	● 6		
	7 Other additions. Attach schedule(s)	● 7		
	8 Total. Add line 1 through line 7.	● 8		
	9 Dividends received deduction. Attach Schedule H (100S)	● 9		
	10 Water's-edge dividend deduction. Attach Schedule H (100S)	● 10		
	11 Contributions. See instructions	● 11		
	12 EZ, LAMBRA, or TTA business expense and EZ net interest deduction	● 12		
	13 Other deductions. Attach schedule(s)	● 13		
	14 Total. Add line 9 through line 13.	● 14		
	15 Net income (loss) after state adjustments. Subtract line 14 from line 8.	● 15		
CA Net Income	16 Net income (loss) for state purposes. Use Schedule R if apportioning income	● 16		
	17 R&TC Section 23802(e) deduction. See instructions	● 17		
	18 Net operating loss carryover deduction. See instructions	● 18		
	19 Pierce's disease, EZ, LARZ, TTA, or LAMBRA NOL carryover deduction. See instructions	● 19		
	20 Disaster loss carryover deduction. See instructions	● 20		
	21 Net income for tax purposes. Combine line 17 through line 20. Subtract the result from line 16.	● 21		
Taxes	22 Tax. _____ % x line 21 (at least minimum franchise tax plus QSub annual tax(es), if applicable). See instructions	■ 22		
	23 Credit name _____ code no. _____ amount	▶ 23		
	24 Credit name _____ code no. _____ amount	▶ 24		
	25 To claim more than two credits, see instructions	● 25		
	26 Add line 23 through line 25	■ 26		
	27 Balance. Subtract line 26 from line 22 (not less than minimum franchise tax plus QSub annual tax(es), if applicable)	■ 27		
	28 Tax from Schedule D (100S). Attach Schedule D (100S). See instructions	■ 28		
	29 Excess net passive income tax. See instructions	■ 29		
	30 Total tax. Add line 27 through line 29.	■ 30		
	Payments	31 Overpayment from prior year allowed as a credit	■ 31	
32 2006 Estimated tax payments/QSub payments. See instructions		■ 32		
33 2006 Nonresident or real estate withholding. See instructions		■ 33		
34 Amount paid with extension of time to file tax return		■ 34		
35 Total payments. Add line 31 through line 34		■ 35		

Refund or Amount Due	36 Franchise or income tax due. If line 30 is more than line 35, subtract line 35 from line 30. Go to line 39.	36		
	37 Overpayment. If line 35 is more than line 30, subtract line 30 from line 35.	37		
	38 Amount of line 37 to be credited to 2007 estimated tax.	38		
	39 Use Tax. See instructions.	39		00
	40 Refund. If the sum of line 38 and line 39 is less than 37, then subtract the result from line 37. See instructions to have the refund directly deposited. a Routing number.	40		
	b Type: Checking <input type="checkbox"/> Savings <input type="checkbox"/> c Account number.	40a		
		40c		
	41 a Penalties and interest. b <input type="checkbox"/> Check if estimate penalty computed using Exception B or C. See instructions.	41a		
42 Total amount due. Add line 36, line 38, line 39, and line 41a, then subtract line 37 from the result.	42			

Schedule Q Questions (continued from Side 1)

<p>B 1. If this S corporation or any of its subsidiaries owned or leased real property in California, was there a change in control or majority ownership of any one of them this year? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. For this taxable year, did this S corporation or any of its subsidiaries acquire control or majority ownership of any other legal entity that owned or leased real property in California? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3. If this S corporation or any of its subsidiaries owned or leased real property in California, has more than 50% of the voting stock of any one of them cumulatively transferred in one or more transactions since March 1, 1975? <input type="checkbox"/> Yes <input type="checkbox"/> No (Penalties May Apply – See Instructions.)</p> <p>C Principal business activity code. (Do not leave blank): Business activity Product or service</p> <p>D Is this S corporation filing on a water's-edge basis pursuant to R&TC Sections 25110 and 25113 for the current taxable year? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>E Does this tax return include Qualified Subchapter S Subsidiaries? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F Date incorporated: Where: <input type="checkbox"/> State <input type="checkbox"/> Country</p>	<p>G Maximum number of shareholders in the corporation at any time during the year: ●</p> <p>H Date business began in California or date income was first derived from California sources: ●</p> <p>I Is the S corporation under audit by the IRS or has it been audited in a prior year? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>J Effective date of federal S election: ●</p> <p>L Accounting method: ● (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other</p> <p>M Location of principal accounting records:</p> <p>N "Doing business as" name: ●</p> <p>O Have all required information returns (e.g., federal Form 1099, 8300 and state Forms 592, 592-B etc.) been filed with the Franchise Tax Board? <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>P Is this S corporation apportioning income to California using Schedule R? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Q Has the S corporation included a Reportable Transaction, Listed Transaction or Registered Tax Shelter within this return? (See instructions for definitions) <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," complete and attach Form 8886 and/or Form 8271 for each transaction.</p> <p>R Did this S corporation file the federal Schedule M-3 (Form 1120S)? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
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Schedule J Add-On Taxes or Recapture of Tax Credits. See instructions.

1 LIFO recapture due to S corporation election (IRC Sec. 1363(d) deferral: \$.....)	1	
2 Interest computed under the look-back method for completed long-term contracts (attach form FTB 3834) ●	2	
3 Interest on tax attributable to installment: a) Sales of certain timeshares and residential lots. ●	3a	
b) Method for nondealer installment obligations ●	3b	
4 IRC Section 197(f)(9)(B)(ii) election ●	4	
5 Credit recapture name: ●	5	
6 Combine line 1 through line 5. Revise the amount on line 36 or line 37 above, whichever applies, by this amount. Write "Schedule J" to the left of line 36 or line 37. ●	6	

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer ▶	Title	Date	● Telephone ()
Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	● Preparer's SSN/PTIN
	Firm's name (or yours, if self-employed) and address ▶			● FEIN ● Telephone ()

Schedule F Computation of Trade or Business Income. See instructions.

Income	1 a) Gross receipts or sales _____		
	b) Less returns and allowances _____ c) Balance	1c	
	2 Cost of goods sold from Schedule V, line 8	2	
	3 Gross profit. Subtract line 2 from line 1c	3	
	4 Net gain (loss). Attach schedule.	4	
	5 Other income (loss). Attach schedule.	5	
6 Total income (loss). Combine line 3 through line 5.	6		
Deductions	7 Compensation of officers. Attach schedule. See instructions.	7	
	8 Salaries and wages.	8	
	9 Repairs.	9	
	10 Bad debts.	10	
	11 Rents.	11	
	12 Taxes.	12	
	13 Interest.	13	
	14 a) Depreciation _____		
	b) Less depreciation reported elsewhere on return _____ c) Balance	14c	
	15 Depletion.	15	
	16 Advertising.	16	
	17 Pension, profit-sharing plans, etc.	17	
	18 Employee benefit programs.	18	
	19 a) Total travel and entertainment _____		
	b) Deductible amount.	19b	
	20 Other deductions. Attach schedule.	20	
21 Total deductions. Add line 7 through line 20.	21		
22 Ordinary income (loss) from trade or business. Subtract line 21 from line 6. Enter here and on Side 1, line 1.	22		

The corporation may not be required to complete Schedules L and M-1. See Schedule L and M-1 instructions for reporting requirements.

Schedule L Balance Sheet

	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash.				•
2 a) Trade notes and accounts receivable.				
b) Less allowance for bad debts.	()		()	
3 Inventories.				•
4 Federal and state government obligations.				
5 Other current assets. Attach schedule(s).				•
6 Loans to shareholders. Attach schedule(s).				•
7 Mortgage and real estate loans.				
8 Other investments. Attach schedule(s).				•
9 a) Buildings and other fixed depreciable assets.				
b) Less accumulated depreciation.	()		()	•
10 a) Depletable assets.				
b) Less accumulated depletion.	()		()	
11 Land (net of any amortization).				•
12 a) Intangible assets (amortizable only).				
b) Less accumulated amortization.	()		()	
13 Other assets. Attach schedule(s).				•
14 Total assets.		•		•
Liabilities and shareholders' equity				
15 Accounts payable.				
16 Mortgages, notes, bonds payable in less than 1 year.				
17 Other current liabilities. Attach schedule(s).				
18 Loans from shareholders. Attach schedule(s).				•
19 Mortgages, notes, bonds payable in 1 year or more.				•
20 Other liabilities. Attach schedule(s).				
21 Capital stock.	•			•
22 Paid-in or capital surplus.	•			•
23 Retained earnings.	•			•
24 Adjustments to shareholders' equity. Attach schedule(s).				
25 Less cost of treasury stock.	()			()
26 Total liabilities and shareholders' equity.				

Schedule M-1 Reconciliation of income (loss) per books with income (loss) per return.If the S corporation **completed** federal **Schedule M-3 (Form 1120S)**, see instructions

1 Net income per books		5 Income recorded on books this year not included on Schedule K, line 1 through line 6 (itemize) a Tax-exempt interest \$	
2 Income included on Schedule K, line 1 through line 6, not recorded on books this year (itemize)			
3 Expenses recorded on books this year not included on Schedule K, line 1 through line 11a and line 16a (itemize) a Depreciation \$		6 Deductions included on Schedule K, lines 1 through 11 and line 16a, not charged against book income this year (itemize) a Depreciation \$	
b State taxes \$		b State tax refunds \$	
c Travel and entertainment \$			
4 Total. Add line 1 through line 3		7 Total. Add line 5 and line 6	
		8 Income (loss) (Schedule K, line 23, col. d). Line 4 less line 7	

Schedule M-2 CA accumulated adjustments account, other adjustments account, and other retained earnings. See instructions.**Important: Use California figures and federal procedures.**

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Other retained earnings (see instructions)
1 Balance at beginning of year			
2 Ordinary income from Form 100S, Side 1, line 1			
3 Other additions			
4 Loss from Form 100S, Side 1, line 1	()		
5 Other reductions	()	()	()
6 Combine line 1 through line 5			
7 Distributions other than dividend distributions			
8 Balance at end of year. Subtract line 7 from line 6			
9 Retained earnings at end of year. Add line 8, column (a) through column (c)			
<input type="checkbox"/> If the corp. has C corp. E&P at the end of the taxable year, check the box and enter the amount. See instructions			

Schedule V Cost of Goods Sold

1 Inventory at beginning of year		
2 Purchases		
3 Cost of labor		
4 Other IRC Sec. 263A costs. Attach schedule		
5 Other costs. Attach schedule		
6 Total. Add line 1 through line 5		
7 Inventory at end of year		
8 Cost of goods sold. Subtract line 7 from line 6		

Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach an explanation. Enter California seller's permit number, if any ► Method of inventory valuationCheck if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970 ☐

If the LIFO inventory method was used for this taxable year, enter the amount of closing inventory

computed under LIFO ☐

Schedule K S Corporation Shareholders' Shares of Income, Deductions, Credits, etc.

	(a) Pro-rata share items	(b) Amount from federal Schedule K (1120S)	(c) California adjustment	(d) Total amount using California law. Combine (b) and (c) where applicable
Income (Loss)	1 Ordinary income (loss) from trade or business activities.			●
	2 Net income (loss) from rental real estate activities. Attach federal Form 8825.			●
	3 a Gross income from other rental activities.			
	b Expenses from other rental activities. Attach schedule.			
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a			●
	4 Portfolio income (loss):			
	a Interest.			●
	b Dividends.			●
	c Royalties			●
	d Net short-term capital gain (loss). Attach schedule D (100S)			●
e Net long-term capital gain (loss). Attach Schedule D (100S)			●	
f Other portfolio income (loss). Attach schedule			●	
5 Net gain (loss) under IRC Section 1231 (other than due to casualty or theft)			●	
6 Other income (loss). Attach schedule			●	
Deductions	7 Charitable contributions.			●
	8 Expense deduction for recovery property (R&TC Section 17267.2, Section 17267.6, Section 17268, and IRC Section 179). Attach Schedule B (100S)			
	9 Deductions related to portfolio income (loss). Attach schedule			●
Investment Interest	10 Other deductions. Attach schedule.			
	11 a Interest expense on investment debts			●
Credits	b (1) Investment income included on line 4a, line 4b, line 4c, and line 4f			
	(2) Investment expenses included on line 9 above			
	12 a Low-income housing credit. See instructions. Attach schedule			●
	b Credits related to rental real estate activities other than on line 12(a) Attach schedule			●
	c Credits related to other rental activities. See instructions. Attach schedule			●
	d Other credits. Attach schedule			●
Adjustments and Tax Preference Items	13 Total withholding allocated to all shareholders.			
	14 a Depreciation adjustment on property placed in service after 12/31/86. . .			
	b Adjusted gain or loss. See instructions			
	c Depletion (other than oil and gas)			
	d (1) Gross income from oil, gas, and geothermal properties			
	(2) Deductions allocable to oil, gas, and geothermal properties			
	e Other adjustments and tax preference items. Attach schedule			
Other State Taxes	15 a Type of income _____			
	b Name of state _____			
	c Total gross income from sources outside California. Attach schedule . .			
	d Total applicable deductions and losses. Attach schedule			
	e Total other state taxes. Check one: <input type="checkbox"/> Paid <input type="checkbox"/> Accrued			●
Other	16 a Total expenditures to which an IRC Section 59(e) election may apply . . .			
	b Type of expenditures _____			
	17 Tax-exempt interest income			
	18 Other tax-exempt income.			●
	19 Nondeductible expenses			
	20 Total property distributions (including cash) other than dividend distributions reported on line 22 below			●
	21 Other items and amounts not included in line 1 through line 20 above that are required to be reported separately to shareholders. Attach schedule			●
	22 Total dividend distributions paid from accumulated earnings and profits . .			●
	23 Income (loss) (required only if Schedule M-1 must be completed). Combine line 1, line 2, and line 3c through line 6. From the result, subtract the sum of line 7 through line 11a and line 16a			●